

GOVERNMENTAL SERVICES STANDING COMMITTEE

Regular Meeting
City Hall Conference Room
June 8, 2010

ATTENDANCE

The meeting began at 8:00 a.m. with the following in attendance: Council members Campbell, AlMBERG and Palmer.

Staff present: City Administrator, Paul Schmidt; Development Services Director, Steve Powers; Building Official David Anderson; Senior Services Director, Mike McIntyre; and Harbormaster, Mack Funk.

PUBLIC COMMENT

None present for comment.

APPROVAL OF MAY 11, 2010 MEETING NOTES

Notes were approved.

PLANNING

Building Code Amendments

Mr. Anderson explained that the state legislature mandates that cities update their building codes every three years. The City is currently utilizing the 2006 version of the Building, Residential, Mechanical, Plumbing, Washington State Energy Code, and Indoor Ventilation Code. Staff will present to the Council code amendments to update the building codes to the 2009 version.

Significant changes include:

- Residential single family homes are now required to be sprinkled if adopted by local cities and counties. After meeting with Battalion Chief Merrill staff is not recommending adopting this provision.
- Elevator lobbies are required for any building requiring an elevator.
- Storm shelters are a new provision due to hurricanes and tornados in the southern portion of the country. Storm shelters now have specific designs.
- The Washington State Energy Code has been rewritten in it entirety to include the Indoor Ventilation Air Code and the Building Residential Energy Code. Currently there are two codes the Residential Code and the Non-residential Code. These codes have been combined into one document.
- The Energy Code now requires that residential structures to have duct testing for energy efficiency. The State Energy Code has drafted affidavits for signature stating that duct testing has been performed.

Committee Discussion

Committee questions:

Is the City supposed to adopt the changes by July? Mr. Anderson said that the City is supposed to adopt changes by July 1, 2010 but there is no penalty for not making the deadline. Staff anticipates presenting the agenda bill to the Council August 4, 2010.

Are permits that are in the system prior to adoption of the 2009 code amendments considered vested and under the 2006 code and does that apply to tenant improvements. Mr. Anderson and

Mr. Powers confirmed that if a complete application has been submitted and site plan is approved before the Building Code updates the project will fall under the 2006 codes.

Is there a lined drawn between single-family residential and multi-family residential for the sprinkler requirement. Mr. Anderson explained that the International Residential Code (IRC) addresses single-family duplexes and townhouse. The IRC has a new chapter for sprinkling those structures and it is up to the cities and counties as to whether to adopt that chapter or not. Multi-family residential falls under the International Building Code (IBC) which requires those structures to be sprinkled. Currently the Fire Code requires that 4 stories or over 4,000 sf to be fully sprinkled.

How do the storm shelter requirements affect the City of Oak Harbor? Mr. Anderson stated that the requirement would not affect Oak Harbor because we are not affected by hurricanes and tornados. The requirements are climate dependent.

MARINA

Marina Dredging and Financing

Mr. Powers handed out a project schedule (Attachment 1), comparison of estimated dredge and mitigation costs (Attachment 2), marina dredging funding fee estimate (Attachment 3) and moorage rate comparisons with example dredging fees included (Attachment 4).

Mr. Powers asked the committee to view the handouts as a work-in-progress as work continues with Reid Middleton on the design and refining estimates. Mr. Powers also noted, based on input from the Govt. Services Standing Committee and the Marina Advisory Committee and Administration that Reid Middleton has been directed to design for the entire Marina along with a series of bid alternates that could be combined with the base bid depending on where the bids come in and the Council's comfort level in funding that project.

Mr. Powers detailed the project schedule noting that staff had receive feedback from the Corp of Engineers indicating that about 800 lineal feet of beach reconstruction will be required plus the \$50,000 payment to the Island County Marine Resources Committee. This leaves some of the in-water work to remove the sunken barges. The 60% design documents should be submitted to the City by June 14th which will include a revised engineer's estimate. City Council will be asked to authorize putting the project out to bid at the July 6th meeting. Bids would be out until August 18th and Council will be asked to award some level of project on September 7th. Reid Middleton tells us that we have time for completing dredging for the entire marina on this schedule before the close of the fish window in mid-February as long as there are no significant weather or equipment interruptions.

Mr. Powers went on to detail the Comparison of Estimated Dredging and Mitigation Costs handout. Mr. Powers explained that there were significant changes and that he has asked the project engineer what the increases are attributed to and he is awaiting the engineer's response. Mr. Powers also noted that when the 60% design documents come in on June 14th the revised engineer's estimate will help show what is going on with the numbers.

Committee Discussion

There was concern about the significant increases between the preliminary estimate and the current dredging estimate.

Committee questions:

Has there been a determination as to where the disposal location will be? Mr. Funk stated that it would either be Rosario Straights or Port Gardner and since it is an easier run to Port Gardner it will probably be Port Gardner.

Mr. Powers continued on to review the fee estimate handout. Mr. Powers explained that this handout was an exercise to determine, based on the estimated costs so far, what the dredging fee might be. The fee estimate converts the cost to a per lineal foot per month fee. Mr. Powers explained that the first table breaks the dredging and mitigation costs into two categories: (1) the base bid and (2) the base bid plus the bid alternate. The base bid is the near shore and the alternate is the breakwater. Neither category includes C-dock because Mr. Powers didn't have an estimate for C-dock as of 4/23/10. The next table titled Dredging Finding Needs takes the two basic categories and adds in one other factor which is whether or not the Council would wish to recover the cost of designing the project as part of the fee the customer would pay. The design fee is \$160,000 for the work underway right now. Mr. Powers also noted in the table a row called Marina offset. The Marina offset is in response to comments about whether or not the Marina should have a share of that cost as opposed to just the customer of the Marina. The Marina offset is roughly equivalent to what the DNR lease payment would be if we making that payment or roughly equivalent to a portion of the indirect cost allocation which the Marina is paying. The Marina offset is \$50,000 which would be subtracted from the total project cost. The resulting numbers from scenario's #1 through #4 are then further refined into an annual debt service for each scenario and then into the cost per lineal foot. Mr. Powers noted that he expects that the total lineal feet of slip is going to increase a little as the measurement is fine tuned as to how much is available for side tide and some other areas. The 83% occupancy is also expected to go down a little historical data is looked at. Depending upon the scenario chosen you end up with a range of from \$0.65 to \$1.27 per lineal foot. If the design costs are not included then those costs would have to be paid for out of the cash reserves. Most of the cash reserve was spent on Phase I project so that would eat into the reserve that we are trying to build for other capital projects.

Mr. Powers move on to moorage rate comparison of other neighboring marinas handout. The table includes the 2010 Marina fees as well as the 2010 fee plus a dredging fee of \$.65 and \$1.17 and the percentage of difference between the neighboring marina fees for each scenario.

Committee Discussion

The Committee talked about dredging the A-dock and the near shore area which holds the smaller boats that can be hauled out conveniently. If the rate goes up it increases the likelihood that those customers will tow their boats to and from the Marina to avoid paying the increased fee. The larger 30 to 35 foot boats are less likely to be transported. Committee members asked if the permit prevents going deeper in the A-dock near shore area. Mr. Funk stated that the permit goes to -9 and is some places which is 6 to 7 feet of removal that would allow boats in the 30-35 foot. Mr. Funk said that there is a waiting list for 35 foot slips.

Mr. Powers added that while the near shore area is the A-dock area it is also under the landing float area and it is the fuel float area so there are two critical areas book-ending the A-dock area.

Committee members asked if the siltation rate was greater in the near shore than the breakwater. Mr. Powers indicated that the breakwater has the highest siltation rate due to the wave action and the depth in that area.

SENIOR SERVICES - General Update

Mr. McIntyre reported:

- Pipes were backing up and flooded the kitchen but the blockage has been fixed.
- No federal decision on fee increases for passports yet.
- Caregivers Cove is meeting every two weeks and they will look at how much further the operation should proceed next Thursday.

Committee Discussion

Committee member questions:

How much was the County contributing before their cutbacks. Answer: about \$95,000 to \$96,000 now they are down to about \$75,000.

What is the percentage of County participants? Answer: County has 1/3 and the City has 2/3.

Mr. McIntyre explained that initially the set up was for the City to give 1/3 of the operating budget and the County would give 1/3 and the other 1/3 had to be generated from the operation. Then 10 or 11 years ago less and less money came from the City and the County and sometimes the County gave more than the City and sometime the City gave more.

What is the annual fee: Answer: \$20

Do the County participants get charged more? No

Why wouldn't we do as the pool does which is to charge more for the annual fee for people that live outside of the district? Mr. McIntyre thought that the County would say is that since they are paying as much as the city and sometimes more up until this last year why should the County participant pay more.

Mr. Powers added that as the Council moves into the budgeting process for 2011-2012 they can explore other mechanisms from a fee prospective.

Aren't there other in-kind cost and other non-tangible costs that the City absorbs in addition to the allocation? Mr. McIntyre explained that the in-kind goes to the non-profit Senior Services of Island County which is not part of the County. We also give them in-kind use of the kitchen and use of an office in order to bring in the food service and the case management program. When the Senior Service building was built an agreement with Northwest Regional was made that there will be no rental charges to Senior Service Island County or Northwest Regional Council program.

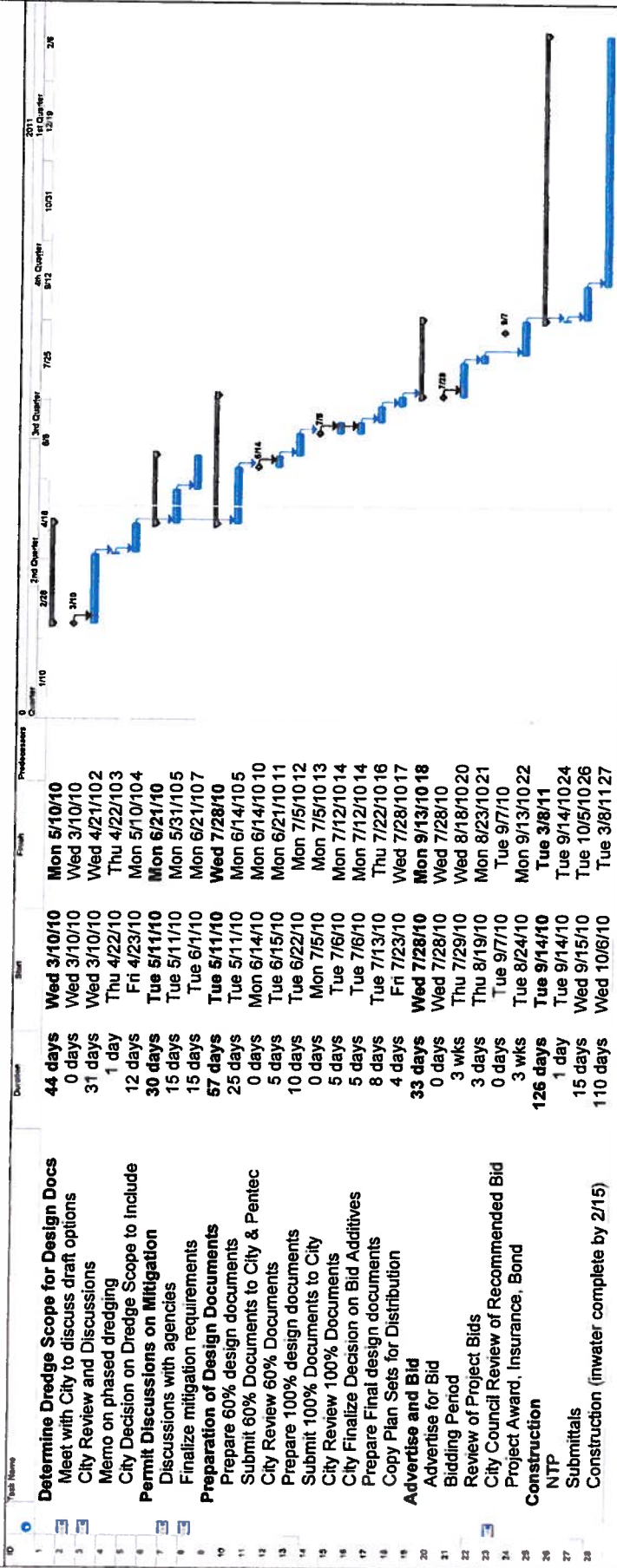
Who paid for the building? Answer: It was a non-repayment block grant for approximately \$700,000.

Development Services Director's Comments - none

NEXT MEETING: July 13, 2010

MEETING ADJOURNED - 9:05 a.m.

City of Oak Harbor
 Oak Harbor Marina Redevelopment Phase 2
 Dredging
 Preliminary Schedule



Comparison of Estimated Dredge and Mitigation Costs
Draft – June 7, 2010

Source of Estimated Costs	Near Shore	Breakwater	Internal & Side	Total Dredge	Mitigation	Total Project ¹	Notes
RM letter 7/28/09	\$350,000 – 400,000	\$427,000 – 455,000	\$1,400,000 – 2,100,000	\$1,862,000 – 2,955,000	Cost not estimated	---	
RM e-mail 10/6/09	Included in dredge total	Included in dredge total	Included in dredge total	\$2,900,000	\$225,000 – 295,000	\$3,125,000 – 3,195,000	
Coast & Harbor PowerPoint 3/10/10	\$500,000 – 700,000	\$650,000 – 750,000	Cost not estimated	Cost not estimated	Cost not estimated	---	
RM e-mail 4/5/10 and RM letter 4/23/10	\$635,000 (approx. 59% higher than 7/28/09 estimate)	\$781,000 (approx. 72% higher than 7/28/09 estimate)	Cost not estimated	Cost not estimated	\$482,000² (approx. 63% higher than 10/6/09 estimate)	---	Total cost for near shore, breakwater and mitigation = \$1,898,000

¹ Total project cost estimated only when estimates provided for complete dredging and full mitigation.

² Mitigation cost of \$482,000 does not include costs associated with as-built and monitoring plans, construction oversight, hydroseeding or the permit required \$50,000 payment to the Island County Marine Resources Committee.

**Marina Dredging Funding - Fee Estimate
Draft – June 7, 2010**

Dredging and Mitigation Cost Estimates (as of 4/23/10)

Option	Nearshore	Breakwater	Internal & Side	Mitigation	Total Project
Base Bid	\$635,000	Cost not included	Cost not included	\$482,000	\$1,117,000
Base plus Bid Alt. 1	\$635,000	\$781,000	Cost not included	\$482,000	\$1,898,000

Dredging Funding Needs

Item	#1 Base Bid Cost (w/ design)	#2 Base Bid Cost (w/o design)	#3 Base plus Bid Alt. 1 Cost (w/design)	#4 Base plus Bid Alt 1 Cost (w/o design)
Dredging	\$635,000	\$635,000	\$1,416,000	\$1,416,000
Mitigation	\$482,000	\$482,000	\$482,000	\$482,000
Design	\$160,000	\$0	\$160,000	\$0
Sub-total	\$1,277,000	\$1,117,000	\$2,058,000	\$1,898,000
Marina offset	(-) \$50,000	(-) \$50,000	(-) \$50,000	(-) \$50,000
Total	\$1,227,000	\$1,067,000	\$2,008,000	\$1,848,000

Base Bid Debt Service

#1 \$1,227,000 @5% for 20 years = \$97,758.12 annually or \$8,146.51 monthly
 #2 \$1,067,000 @ 5% for 20 years = \$85,010.52 annually or \$7,084.21 monthly

Base plus Bid Alt 1 Debt Service

#3 \$2,008,000 @5% for 20 years = \$159,982.31 annually or \$13,331.86 monthly
 #4 \$1,848,000 @ 5% for 20 years = \$147,234.72 annually or \$12,269.56 monthly

#1 Base Bid Dredging Fee (with design costs)

Total lineal feet of slip = 12,683 lf
 Assume 83% occupancy rate = 10,527 lf
 \$97,758 annual payment / 10,934 lf = \$8.94 per lineal foot annual payment
 \$8.94 annual payment / 12 months = **\$0.75 per lineal foot per month**

#2 Base Dredging Fee (without design costs)

Total lineal feet of slip = 12,683 lf
 Assume 83% occupancy rate = 10,527 lf
 \$85,011 annual payment / 10,934 lf = \$7.77 per lineal foot annual payment
 \$7.77 annual payment / 12 months = **\$0.65 per lineal foot per month**

#3 Base plus Bid Alt. 1 Dredging Fee (with design costs)

Total lineal feet of slip = 12,683 lf

Assume 83% occupancy rate = 10,527 lf

\$159,983 annual payment / 10,527 lf = \$15.20 per lineal foot annual payment

\$15.20 annual payment / 12 months = **\$1.27 per lineal foot per month**

#4 Base plus Bid Alt. 1 Dredging Fee (without design costs)

Total lineal feet of slip = 12,683 lf

Assume 83% occupancy rate = 10,527 lf

\$147,235 annual payment / 10,527 lf = \$13.99 per lineal foot annual payment

\$13.99 annual payment / 12 months = **\$1.17 per lineal foot per month**

Draft 2010 Moorage Rates Comparison

With Example Dredging Fees Included

	24 foot		28 foot		32 foot		36 foot		40 foot		50 foot		60 foot		Guest* ft per day
	Open	Cov	Open	Cov	Open	Cov	Open	Cov	Open	Cov	Open	Cov	Open	Cov	
Cap Sante	N/A	N/A	5.92	N/A	7.27	N/A	7.54	N/A	7.81	N/A	8.35	N/A	9.28		1.00
Everett	5.97	N/A	5.97	8.63	7.04	9.77	7.61	11.34	8.16	12.11	10.06	12.89	10.06		0.75 no change
Kingston	4.70	N/A	4.70	N/A	4.70	7.05	4.70	7.05	4.70	7.05	4.70	7.05			Elect incl. 0.85 per KW/hour
La Conner	N/A	N/A	N/A	7.50	5.72	7.50	6.05	10.16	6.51	11.51	7.52	13.21	8.64		no change
Port Townsend	5.89	N/A	5.89	N/A	6.24	N/A	6.24	N/A	6.62	N/A	7.01	N/A	7.45		Elect incl. no change
															0.75 +\$3 elect
Best Average	5.93	N/A	5.93	8.07	6.33	8.64	6.63	10.75	7.10	11.81	8.20	13.05	8.72		0.50
OH 2010	4.82	6.59	5.22	7.00	5.32	7.42	5.59	8.30	5.59	8.78	6.02	9.28	6.02		0.68
Difference	1.11		0.71	1.07	1.01	1.22	1.04	2.45	1.51	3.03	2.18	3.77	2.70		-0.18
% of Average	81.3%		88.0%	86.8%	84.0%	85.9%	84.3%	77.2%	78.8%	74.3%	73.4%	71.1%	69.1%		136.0%
Best Average	5.93	N/A	5.93	8.07	6.33	8.64	6.66	10.70	7.10	11.81	8.20	13.05	8.72		
OH 2010 fee + dredging fee (\$0.65)	0.65	5.47	7.24	7.24	5.97	8.07	6.24	8.95	6.24	9.43	6.67	9.93	6.67		
Difference	-0.46		-0.06	-0.42	-0.36	-0.57	-0.42	-1.75	-0.86	-2.38	-1.53	-3.12	-2.05		
% of Average	92.2		99.0	94.8	94.3	93.4	93.7	83.6	87.9	79.8	81.3	76.1	76.5		
Best Average	5.93	N/A	5.93	8.07	6.33	8.64	6.66	10.70	7.10	11.81	8.20	13.05	8.72		
OH 2010 fee + dredging fee (\$1.17)	1.17	6.64	8.41	8.41	7.14	9.24	7.41	10.12	7.41	10.60	7.84	11.10	7.84		
Difference	0.71		1.11	0.75	0.81	0.60	0.75	-0.58	0.31	-1.21	-0.36	-1.95	-0.88		
% of Average	112.0		118.7	109.3	112.8	106.9	111.3	94.6	104.4	89.8	95.6	85.1	89.9		